

UNCLASSIFIED

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DCI-ICS-3936-81

12 November 1981

MEMORANDUM FOR: Deputy Director of Central Intelligence  
THROUGH : Director, Intelligence Community Staff  
FROM :   
SUBJECT : Landsat Policy Position Paper

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*Recommend*  
*Concur* STAT

1. Action Requested. Your concurrence on the attached position paper that we propose to forward in response to a request by the Department of Commerce Chairman of the Working Group on the Private Sector Transfer of Landsat Activities.

2. Background. Current Landsat policy development is focused on two issues formulated by Ed Harper, the Deputy Director of OMB. Commerce has developed two options with reference to the first issue -- should the Administration consider simultaneous private sector transfer of both the civil weather and land remote sensing systems. One option favored by OMB/NSC calls for immediately initiating the competitive bidding process required by OMB Circular A-76 to determine the relative costs of industry versus government ownership and management of the civil weather services. This option assumes that all policy concerns that might preclude transfer can be resolved quickly. The second option provides initially for an analysis of the national and international considerations associated with transfer of civil weather activities to the private sector. After these considerations are analyzed and resolved, the A-76 process would be implemented for whatever specific aspects of the civil weather activities are judged appropriate for transfer.

3. We support the second option on the basis that there is not now a clear understanding and identification of the specific functions that are to be transferred, or the potential adverse impacts of such transfers. For example, as the largest user of worldwide weather data for economic, military, and intelligence activities, the US would be particularly affected by disruptions that could result in the present cost-free international flow of weather observations. There are also national security implications because of dependence on the civil weather satellites as a backup to military systems. The consensus of the civil agencies appears to be for this option, and DoD is drafting a strong position outlining its concerns.

4. The second issue involves determining the best mechanism to expedite the transfer of the Landsat system to the private sector. The Working Group has agreed that the central decision here is to first determine the level and timing of the fiscal commitment that the Administration is prepared to make to Landsat operations. A decision on this point would effectively narrow the potential range of transfer mechanisms and thereby facilitate implementing the transfer process.

5. Commerce has developed two options to address this issue. The first establishes a minimum federal commitment that would be limited to about \$15-20 million per year. This level represents a slightly augmented total of the current federal agency purchases of Landsat data. The second option is for a major enhancement of the federal commitment to a level of \$250-500 million over a number of years, with the objective of attracting a private sector investment of \$1-3 billion over the next decade.

6. Our position paper supports the latter option. It points out that the federal agency purchase level criterion that has been developed by OMB is a very poor index of the actual value of the Landsat derived data to US policymakers, and provides cases in point of how policymakers have been served by Landsat-derived data.

7. Other agencies appear to be developing parallel positions that the Landsat program is a national asset. Agriculture and Interior may even push strongly for a re-examination of the national policy concerning Landsat.

8. Recommendation. Recommend your concurrence on the attached position paper.

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CONCUR/~~NONCONCUR~~

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Deputy Director of Central Intelligence

11/12/81  
Date

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